

**BERKS COUNTY CONVENTION CENTER AUTHORITY  
MINUTES OF THE REGULAR MEETING OF  
THURSDAY, APRIL 19, 2012**

The regular meeting of the Board of Directors (the "Board") of the Berks County Convention Center Authority (the "Authority") was called to order at 7:00 a.m. in the SMG Board Room, the Sovereign Center, 700 Penn Street, Reading, Pennsylvania.

The following members were present:

Mr. P. Michael Ehlerman  
Mr. Michael Fiucci  
Mr. Burlee Adams  
Mr. John Ernesto  
Mr. Carl Herbein  
Mr. Brian D'Amico

The meeting was chaired by Mr. P. Michael Ehlerman.

Also present:

Mr. Zane Collings, SMG  
Thad Gelsinger, Esquire, Leisawitz Heller Abramowitch Phillips, P.C.  
Ms. Hope Parkin, SMG  
Mr. Mark Wallace, Reading Royals  
Ms. Stephanie Hackash, Reading Royals  
Mr. Donald Spatz, Reading Eagle

Mr. Albert Boscov was absent.

The Chairman declared that a quorum was present and proceeded with the meeting.

There were no comments from the public.

Upon a motion duly made and seconded, the minutes of the regular meeting of the Board of February 16, 2012 were unanimously approved.

**TREASURER'S REPORT**

Mr. Herbein distributed and reviewed the two-month Treasurer's Report with the financials for February and March 2012. Mr. Herbein noted that, as of March 31, 2012, the Authority had a cash balance of \$1,440,976.67.

Mr. Herbein commented that the hotel tax receipts for January and February 2012 were \$67,864.80 and \$93,359.10, respectively. Mr. Herbein further noted that the tax receipts through February 2012 were approximately \$10,300 greater than through February 2011.

Upon a motion duly made and seconded, it was unanimously moved to approve all the bills paid within the period and to pay all bills listed that had been unpaid during this period. Further, upon a motion duly made and seconded, the Treasurer's Report was approved.

#### SOLICITOR'S REPORT

Mr. Gelsinger stated that there was no significant legal activity to report.

#### MANAGEMENT REPORT

Mr. Collings reported that SMG has projected losses of approximately \$216,000 and \$535,000 for the Arena/SPAC and the Reading Royals, respectively, for total losses of over \$700,000. Mr. Collings reported that SMG is taking various steps to address the projected losses. A subcommittee is reviewing the hockey operations to assess whether any cost saving steps can be implemented. Mr. Collings is creating a business plan and budget for the upcoming fiscal year, which he expects to present to the Board in May 2012. Mr. Collings reported that the Reading Royals' sales staff continues to work year round and on a positive note, the Royals making the playoffs rekindled interest in the hockey team.

Mr. Collings advised the Board that the economic impact study being performed on the Arena/SPAC is currently in the research phase. Mr. Collings reported that the Sovereign Center Scholarship will be awarded to two graduating seniors. Seventeen applications have been received to date and a committee consisting of Mr. Ehlerman, Mr. Ernesto, Mr. Adams and Mr. Fiucci will meet with Mr. Collings to review the various applications and select the recipients.

Mr. Collings presented a two-part proposal to improve the sound system in the Arena. The first part of the proposal will cost approximately \$29,000; \$11,000 in labor costs and \$18,000 is hardware costs (with the majority of the hardware costs being incurred to replace the processor). Mr. Collings stated that the Jehovah's Witnesses have agreed to provide the labor services in furtherance of this proposal in exchange for a reduction in the amount charged to them by SMG for their conventions for the next two years. The second part of the proposal is to fill out the sound system by placing more speakers in the rest of the Arena.

Mr. Collings concluded by distributing the event schedule for the remainder of the year. On a positive note, he noted that June 2012 is scheduled to be busier than normal.

Upon a motion duly made and seconded, it was unanimously moved to approve the first part of the proposal to improve the sound system.

#### NEW BUSINESS

Mr. Ehlerman distributed an article published in the April 2012 edition of the Berks Business 2 Business publication profiling Mr. Collings. Mr. Herbein noted that he will schedule a budget review meeting for either May 15, 2012 or May 22, 2012. Mr. Collings reported that he will schedule a tour of the Arena and SPAC for the Board members to highlight the recent capital improvements made to each venue.

There being no further business before the Board at the public session, the Chairman announced that the next regular meeting of the Board would be held at the Sovereign Center at 7:00 a.m., Thursday, June 21, 2012. At 8:00 a.m., upon a motion duly made and seconded, the Board unanimously resolved to adjourn.